



**HAMILTON-WENHAM**  
**REGIONAL SCHOOL DISTRICT**

*FY18 School Committee Recommended Budget  
Town Meeting Presentation  
April 1, 2017*

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# HWRSD 2016-2017 Highlights

- Buker School—STEM Engineering and Design Day
- Cutler School—Family Game Night collected 250 books for NSMC patients
- Winthrop School—Lego Robotics Program
- MRMS—Music class developed partnership with Boston Lyric Opera and had an artist in residence to write an opera with 7th graders
- HWRHS—32 high school students and 3 teachers from the Mingde Experimental School in China visited for 3 weeks



# FY18 Budget

## *School Committee Recommendation*

### Level Service Budget

What Does “Level Service” Mean?

*Level Service is a continuation of the current programs, services and staffing of the District.*

For FY18, this represents (vs FY17 Budget):

– An increase to our Gross Operating Expenses (Before Offsets) of \$1,237,092 or 4.10%

*and*

– An increase in the Total Assessment to the Towns of \$339,057 or 1.3%



# FY18 Budget

## *School Committee Recommendation*

### Why “Level Service” for FY18?

- *Acknowledges the fiscal challenges of our Member Towns*
- *Emphasizes District-wide Curriculum Initiatives and related Professional Development efforts that don't translate into significant increases in funding needs*
- *Prioritizes the Master Plan*
  - *Working with an Architectural Design Firm to develop plans to redesign the HS/MS Library Media Center and the Elementary School Libraries.*
  - *With an overarching goal of creating “Future Ready” spaces that support inquiry, digital citizenship, project-based learning, collaboration, and allow students and faculty to create, share and perform.*



# FY18 Budget: Level Service

## *Key Assumptions*

- **Salary Costs**

- Incorporates a 2.5% COLA increase for all personnel.
- Incorporates all other contractual salary obligations (e.g. STEPs).
- Reduction of 4.0 FTE's and \$225K in salary costs.
- Incorporates Retirement and Other Staff Replacement salary savings of \$187K.
- Level funds all Grants as compared to FY17.

- **Operating Costs**

- No new Services or Programs.
- Level funds the majority of operating account categories.
- Exceptions to level funding include, most notably:
  - Out-of-District Tuition Costs increasing by 35.0% or \$717K
  - Special Ed Transportation Costs increasing by 15.6% or \$65K
  - Essex Retirement Pension Fund increasing by 5.4% or \$45K
  - Healthcare Premiums increasing by 5.9% or \$137K
  - OPEB Trust Fund increasing by 100% or \$40K
  - Capital Projects reducing by 32.7% or <\$102K>

- **Excess & Deficiency**

- \$569K in Certified E&D being used “to reduce the amount to be raised by assessment by the member Towns during the ensuing Annual Budget Process” (Policy D4021)



# FY18 Budget – Primary Drivers

## *Level Service Gross Operating Expense Budget (Before Offsets)*

Driver	Impact: FY18B vs FY17B	
	\$	Incr %
All Staff COLAs	\$ 480,000	1.6%
Teacher STEPS	\$ 216,000	0.7%
Teacher Degree Changes	\$ 40,000	0.1%
Essex Retirement Pension Fund Appropriation	\$ 45,000	0.1%
Out-of- District Tuitions	\$ 717,000	2.4%
Out-of- District Transportation	\$ 65,000	0.2%
Healthcare Premiums	\$ 137,000	0.5%
OPEB Trust Fund	\$ 40,000	0.1%
Net All Other Operating Expenses	\$ 11,000	0.0%
<b>Subtotal Increases:</b>	<b>\$ 1,751,000</b>	<b>5.8%</b>
Capital Projects	\$ (102,000)	-0.3%
Staff Replacement Cost Savings Carryover	\$ (61,000)	-0.2%
Staff Reductions (4.0 FTE)	\$ (225,000)	-0.7%
Anticipated Staff Retirement Replacement Savings	\$ (61,000)	-0.2%
Anticipated Staff Replacement Savings	\$ (65,000)	-0.2%
<b>Subtotal Decreases:</b>	<b>\$ (514,000)</b>	<b>-1.7%</b>
<b>TOTALS:</b>	<b>\$ 1,237,000</b>	<b>4.1%</b>



# FY18 Budget – Expense Category Analysis

## Level Service Gross Operating Expense Budget (Before Offsets)

Expense Category	FY18 Gross Expenses		Compared to FY17		
	Tot \$	% of Tot	PY Bud \$	Chg \$	Chg %
Salaries	\$ 19,812,686	63.1%	\$ 19,502,090	\$ 310,596	1.6%
Out-of-District Tuition	\$ 2,767,155	8.8%	\$ 2,050,503	\$ 716,652	35.0%
Healthcare	\$ 2,430,625	7.7%	\$ 2,294,132	\$ 136,492	5.9%
In-District Transportation	\$ 738,700	2.4%	\$ 771,009	\$ (32,309)	-4.2%
Essex Retirement	\$ 879,643	2.8%	\$ 834,880	\$ 44,763	5.4%
Utilities	\$ 597,530	1.9%	\$ 599,609	\$ (2,078)	-0.3%
Facilities, Maintenance & Custodial (non-salary)	\$ 631,475	2.0%	\$ 666,750	\$ (35,275)	-5.3%
Technology (non-salary)	\$ 611,182	1.9%	\$ 625,860	\$ (14,678)	-2.3%
Out-of-District Transportation	\$ 486,000	1.5%	\$ 420,488	\$ 65,512	15.6%
Other Fringe (Medicare, Unemployment, 403B)	\$ 433,965	1.4%	\$ 455,601	\$ (21,636)	-4.7%
Substitute Teachers	\$ 229,625	0.7%	\$ 219,000	\$ 10,625	4.9%
School Materials, Supplies & Textbooks	\$ 303,904	1.0%	\$ 274,804	\$ 29,100	10.6%
Athletics (non-salary)	\$ 224,706	0.7%	\$ 224,920	\$ (214)	-0.1%
District Insurance (Property, Liability & WC)	\$ 173,031	0.6%	\$ 147,186	\$ 25,845	17.6%
OPEB Trust Fund	\$ 40,000	0.1%	\$ -	\$ 40,000	#DIV/0!
All Other	\$ 1,043,398	3.3%	\$ 1,079,699	\$ (36,300)	-3.4%
<b>Totals:</b>	<b>\$ 31,403,624</b>	<b>100.0%</b>	<b>\$ 30,166,532</b>	<b>\$ 1,237,092</b>	<b>4.1%</b>

18.5% (\$5.6M) of our costs are Budgeted to increase by 17.9% while 81.5% (\$24.6M) of our costs are budgeted to increase by 0.95%



# FY18 Budget – District Totals

## *Level Service Net Assessment Budget*

Total Expenses					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
General Operating Expense (Before Offsets)	\$ 29,343,112	\$ 30,166,532	\$ 31,403,624	\$ 1,237,092	4.10%
Expense Offsets	\$ 1,013,510	\$ 1,016,500	\$ 1,203,808	\$ 187,308	18.43%
General Operating Expenses (After Offsets)	\$ 28,329,602	\$ 29,150,032	\$ 30,199,816	\$ 1,049,784	3.60%
Debt Service Expense	\$ 1,993,488	\$ 2,129,250	\$ 2,092,860	\$ (36,390)	-1.71%
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,323,089</b>	<b>\$ 31,279,282</b>	<b>\$ 32,292,676</b>	<b>\$ 1,013,394</b>	<b>3.24%</b>
Total Funding Sources					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
<i>Revenues</i>					
Chapter 70-Base Aid	\$ 3,413,341	\$ 3,457,966	\$ 3,554,656	\$ 96,690	2.8%
MSBA Debt Service Reimbursement	\$ 1,132,065	\$ 1,132,065	\$ 1,132,065	\$ -	0.0%
State Transportation Reimbursement	\$ 290,000	\$ 331,304	\$ 340,686	\$ 9,382	2.8%
Medicaid Reimbursement	\$ 85,000	\$ 85,000	\$ 85,000	\$ -	0.0%
Interest Income	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%
Prior Year Unexpended Encumbrances	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Other Non-recurring Income (Including Transp)	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Total Revenues	\$ 4,924,406	\$ 5,010,335	\$ 5,116,407	\$ 106,072	2.1%
<i>Transfers In From Other Funds</i>					
Excess and Deficiency	\$ 395,781	\$ 555	\$ 568,821	\$ 568,266	102329.9%
Total Transfers	\$ 395,781	\$ 555	\$ 568,821	\$ 568,266	102329.9%
<b>Total Funding Sources</b>	<b>\$ 5,320,187</b>	<b>\$ 5,010,890</b>	<b>\$ 5,685,228</b>	<b>\$ 674,338</b>	<b>13.5%</b>
Total Expenditures	\$ 30,323,089	\$ 31,279,282	\$ 32,292,676	\$ 1,013,394	3.2%
Less Total Funding Sources	\$ 5,320,187	\$ 5,010,890	\$ 5,685,228	\$ 674,338	13.5%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 25,002,902</b>	<b>\$ 26,268,391</b>	<b>\$ 26,607,448</b>	<b>\$ 339,057</b>	<b>1.3%</b>
Total Town Assessments					
	FY16 BUD	FY17 BUD	FY18 BUD	Difference	
Hamilton	\$ 16,991,972	\$ 17,494,749	\$ 17,401,271	\$ (93,478)	-0.5%
Wenham	\$ 8,010,930	\$ 8,773,643	\$ 9,206,177	\$ 432,534	4.9%
<b>NET ASSESSMENT including Debt Service</b>	<b>\$ 25,002,902</b>	<b>\$ 26,268,391</b>	<b>\$ 26,607,448</b>	<b>\$ 339,057</b>	<b>1.3%</b>





# HWRSD Budget Apportionment

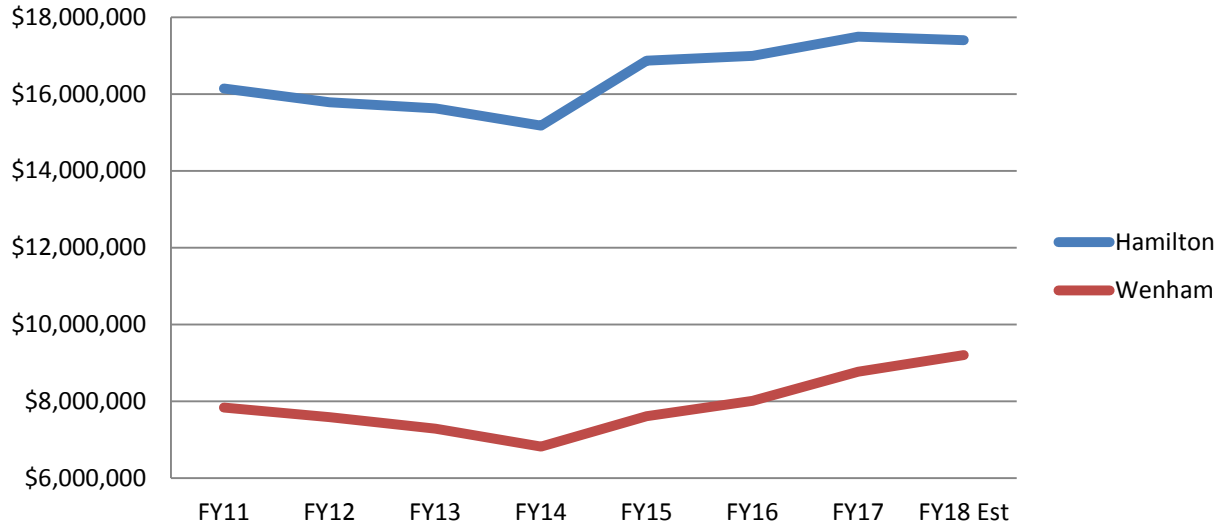
## Resident Student Enrollment

### *Four-Year History*

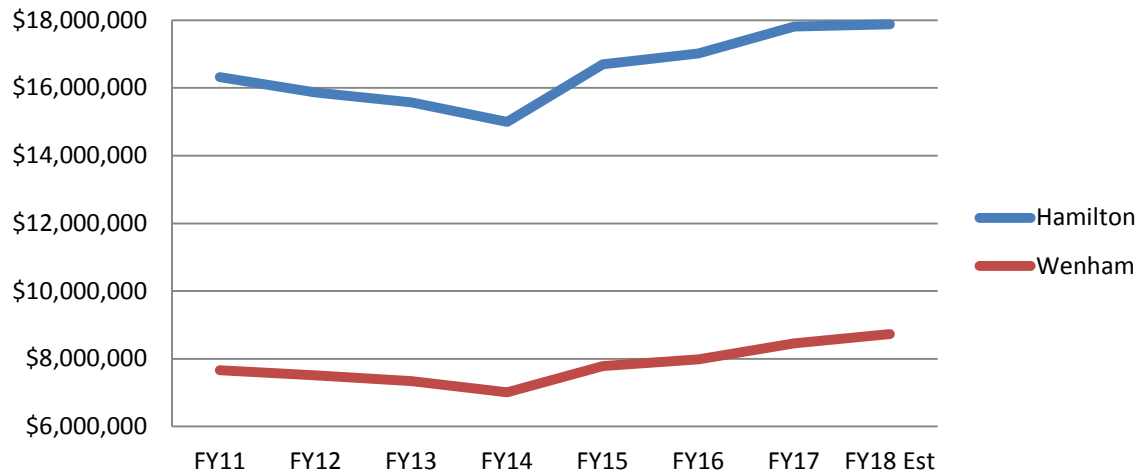
	<b>Hamilton</b>		<b>Wenham</b>
<b>3 Year Total - FY18</b>	3,429		1,814
<b>Total: Two Towns</b>		5,243	
<b>% of Total - FY18</b>	65.40%		34.60%
<b>3 Year Total - FY17</b>	3,539		1,775
<b>Total: Two Towns</b>		5,314	
<b>% of Total - FY17</b>	66.60%		33.40%
<b>3 Year Total - FY16</b>	3,666		1,728
<b>Total: Two Towns</b>		5,394	
<b>% of Total - FY16</b>	67.96%		32.04%
<b>3 Year Total - FY15</b>	3,772		1,702
<b>Total: Two Towns</b>		5,474	
<b>% of Total - FY15</b>	68.91%		31.09%

The Shift in Resident Student Enrollment alone is responsible for an increase of **approximately \$914,000 (3.51%) to Wenham's assessment** over this timeframe.

### Current Model: 3 Year Rolling Avg.



### Proposed Model: 6 Year Rolling Avg.





# 5 Year Capital Improvement Plan Updated

## *Key Assumptions*

- **Time Frame:**
  - Covers the Five (5) Fiscal Years beginning with FY18 and ending with FY22.
- **Scope:**
  - Facilities & Grounds
  - Technology
  - Food Service
  - Athletics
  - Master Plan
- **Definition:**
  - Tangible Assets that cost at least \$10,000 and have a useful life of at least 5 years.
- **Funding Sources:**
  - For FY18, it is assumed that the ten (10) capital items being recommended will be funded through the District's Operating Budget.
  - For FY19 and beyond, funding sources have not been specifically identified and may include but are not limited to Debt Exclusions, Overrides, & Donations, as well as the District's Operating Budget.



# Key Budget Indicators

<b>Gross Operating Expense Budget:</b>		
FY13	\$	28,885,653
FY18	\$	31,403,624
5 Year Chg \$	\$	2,517,971
5 Year Chg %		8.72%
Avg Annual Chg		1.74%

<b>Per Pupil Expenditure:</b>		
FY10	\$	14,219
FY15	\$	15,956
5 Year Chg \$	\$	1,737
5 Year Chg %		12.22%
Avg Annual Chg		2.44%
MA Avg Annual Chg		2.90%



# Key Budget Indicators

## Resident Student Enrollment:

10/1/11	1,845
10/1/16	1,724
5 Year Chg \$	(121)
5 Year Chg %	-6.56%
Avg Annual Chg	-1.31%

## Total Full-Time Equivalents:

FY13	308.81
FY18	291.89
5 Year Chg \$	(16.92)
5 Year Chg %	-5.48%
Avg Annual Chg	-1.10%



# Key Budget Indicators

<b>Excess &amp; Deficiency \$ Returned to Towns:</b>		
FY13	\$	1,491,000
FY14	\$	2,115,920
FY15	\$	-
FY16	\$	395,781
FY17	\$	555
FY18	\$	568,821
6 Year Total	\$	4,572,077